



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



JANUARY 18, 2000

Drought Decreases Brazilian Grain. Severe drought has taken a toll on corn and soybeans in Brazil's most southern state of Rio Grande do Sul, as well as the western portion of Sao Paulo and the Parana and Mato Grosso states. Rio Grande do Sul has lost more than 7 percent of its 1999/2000 soybean production and 18 percent of its corn, according to an agricultural official. It is the third most important state in terms of overall production and the third largest for both soybeans and corn, roughly 18 and 11 percent, respectively, of Brazil's total production. It ranks second, overall, in wheat production. "We have a situation where there are losses, but we don't know yet the volume of those losses or how much could be replanted in those (affected) areas," said Carlos Cogo, director of the grains consultancy, Agromercados. Recent sporadic rains have given some hope for optimism, but an official for the state government noted that a mid-crop for corn would need to have been planted by January 15. Soybeans may be replanted until the end of the month. The drought has led Brazil's government to make financial assistance available, offering to pay insurance costs for those farmers with a total crop loss. It will also consider limited amounts of emergency credits for drought-affected farmers on a general basis, allow producers to request new financing for crop maintenance and husbandry, and raise its minimum purchase price for wheat to encourage planting. Sorghum, which is more resistant to drought, was the only crop that increased in planting during this period. In other news from Brazil, Simone Scholze, assistant to the Minister of Science and Technology, stated that a Brazilian court may rule on the future of genetically modified (GMO) soybeans as early as midyear. Two issues still under consideration are the labeling requirements for GMO products and a requirement that the government prepare an environmental impact statement on GMO's. According to Scholze, however, the latter will be contested. An impact study has been performed by Brazil's Commissao Tecnica Nacional de Bioseguranca, CTNbio, (Brazilian Biotechnology Safety Commission), although not in Brazil's environmental impact statement standard format. Meanwhile, many farmers in Brazil's southern states are planting GMO soybeans, purchasing seed from neighboring Argentina where GMO use is legal. Local reports indicate that military police have destroyed a substantial number of soybean plants after finding that seed tested positive for GMO's. According to U.S.-based grain analyst, Michael Cordonnier, "The (Brazilian) government will be very hard pressed to keep the seed out because it's something the farmers definitely want." (*Reuters 1/13, 1/14, 1/17, Bridge News 1/14, www.ourfood.com, www.ncga.com*)

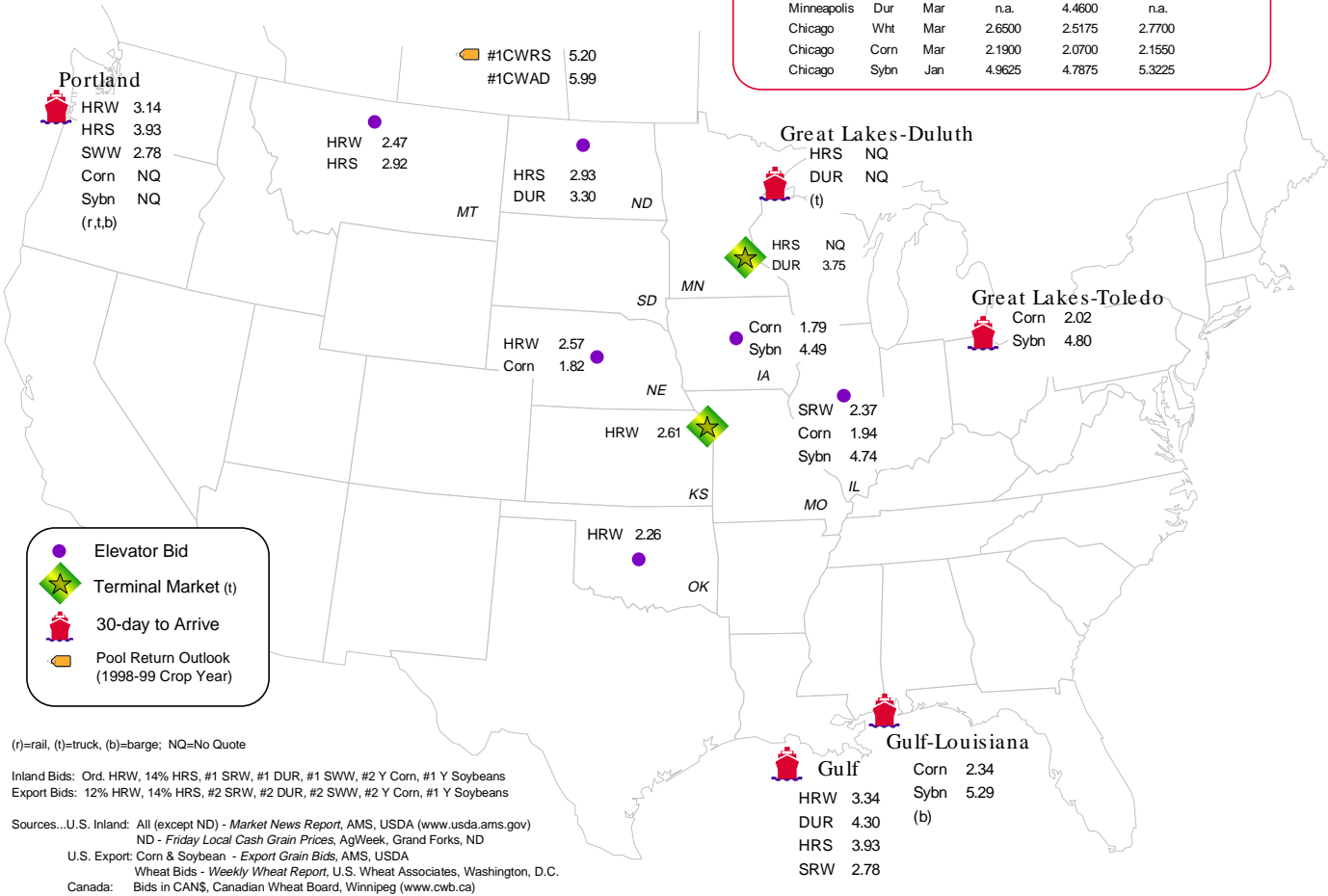
Canadian Provinces Seek More Aid. Representatives from Canada's agricultural provinces of Manitoba and Saskatchewan voiced their disapproval recently after a federal-provincial meeting on farm-aid programs. Canada's Agriculture Minister, Lyle Vancilief, announced that C\$1 billion (US\$690 million) in additional farm aid would be distributed to farmers during 2000 and 2001. "The dollar figure is completely inadequate, woefully inadequate," said Saskatchewan Premier Roy Romanow. A federal-provincial aid program, Agriculture Income Disaster Assistance (AIDA), valued at C\$1.5 billion was announced in December 1998. However, many producers have complained that the program, which expired at end of 1999, did not fairly allocate funding to those most in need, and many who did qualify still await funds. Provincial representatives, such as Saskatchewan Agriculture Minister Dwain Lingenfelter, are also concerned that the latest proposal would continue to use a formula which would "transfer safety-net funding away from Saskatchewan and Manitoba, where the need is the greatest, to provinces like Ontario and Quebec, where farm incomes continue to increase or remain the same." Under the program, the financial assistance provided by Ottawa would be met by an additional two-thirds contribution from individual provinces. Similar to the United States, Canada's agricultural economy has been struggling due to historically low global prices for wheat, canola, and other grains and oilseeds. However, Canada has been unable to provide the level of agricultural assistance provided by the U. S. and the European Union (EU), while both of which still abide by world trade rules. "The massive subsidies of the EU and U.S. continue to depress grain prices, making it difficult for Saskatchewan and Manitoba farmers to survive," state the provincial premiers. They continue, "...our government is refusing to stand behind an important sector of the economy." (*Reuters 1/13, 1/14, AP 1/13*)

DM&E To Upgrade/Expand. The Dakota, Minnesota, and Eastern Railroad (DM&E), a 1,100-mile regional railroad operating in South Dakota and Minnesota, plans to invest \$1.4 billion to upgrade its 600-mile main line across southern Minnesota and central South Dakota and construct about 300 miles of new track in South Dakota and Wyoming. The upgrade will allow the railroad to handle the larger 286,000-pound freight cars, increasing current carrying capacity by 11 percent. "Not upgrading the line will put southern Minnesota and South Dakota farmers at a competitive disadvantage," said Kevin Schieffer, DM&E's president and chief executive officer, adding that the upgrades will be paid for by investors. DM&E has operated since 1986 and currently has a fleet of 77 locomotives and 4,375 railcars, 2,300 (approximately 50 percent) of which are dedicated to grain and grain products. (*Press Release 1/18*)

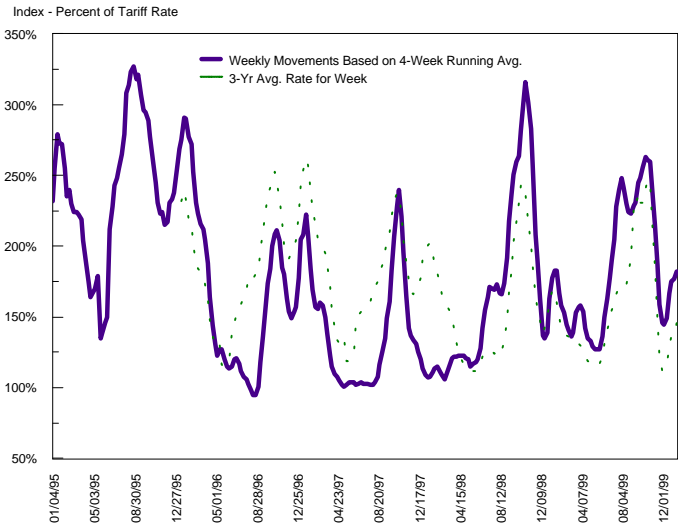
Report is prepared by Karl Hacker and Chambre' Malone, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to GTR@usda.gov.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation and marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at (202)720-2600. To file a complaint, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC, 20250-9419, or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

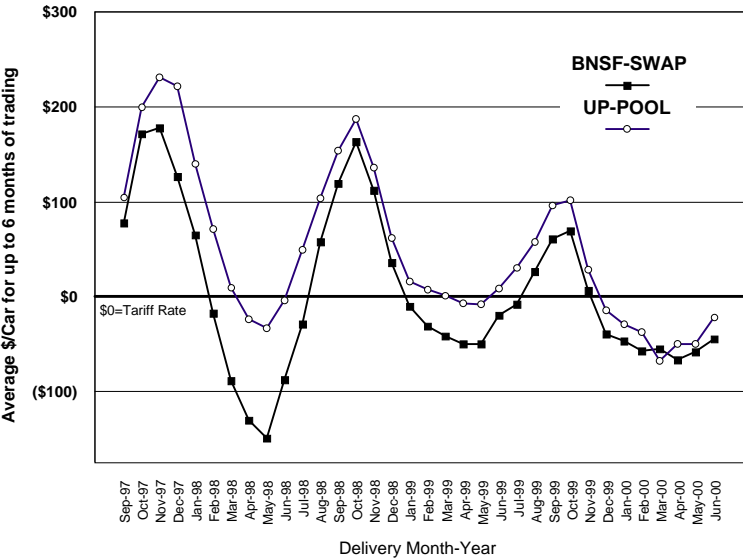
Grain Bid Summary



Spot Barge Rate - Illinois River



Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Jan-00		Mar-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	12,000	17%	12,000	1%
UP-GCAS	5,400	0%	5,400	0%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Jan-00	Feb-00	Mar-00	Apr-00
BNSF-GF	\$(2)	\$(36)	\$(56)	\$(56)
UP-Pool	\$(14)	\$(13)	\$(28)	\$(34)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jan-00	Feb-00	Mar-00
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values**

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
1/14/00	Illinois River	on station	205
		Mar.	175
	St. Louis	nwk	175*
		Mar.	150
	Ohio River	schedule	175
	Memphis-Cairo	twk	170

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

Southbound Barge Freight Spot Rates

	1/12/00	1/5/99	Feb. '00	Apr. '00
Twin Cities	nq	nq	nq	204
Mid-Mississippi	nq	nq	nq	173
Illinois River	184	167	175	164
St. Louis	162	129	142	133
Lower Ohio	160	139	146	135
Cairo-Memphis	152	120	135	128

Source: Transportation & Marketing /AMS/USDA
nq=no quote

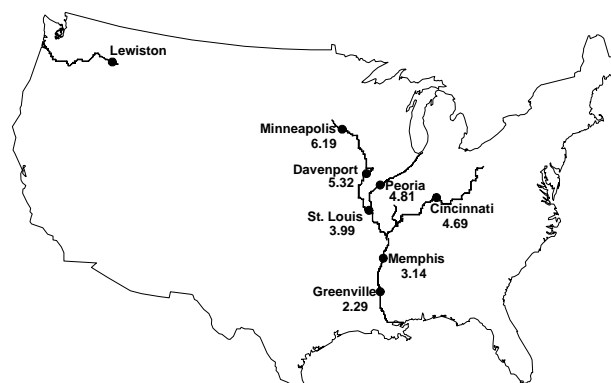
twk=this week

nwk=next week

(*) percentage for bid rates, no trades available

on station=boat located at a point on the river (immed. available)

schedule=a particular barge to be handled by a particular boat; parties involved will tend to be more precisely aware of timing.

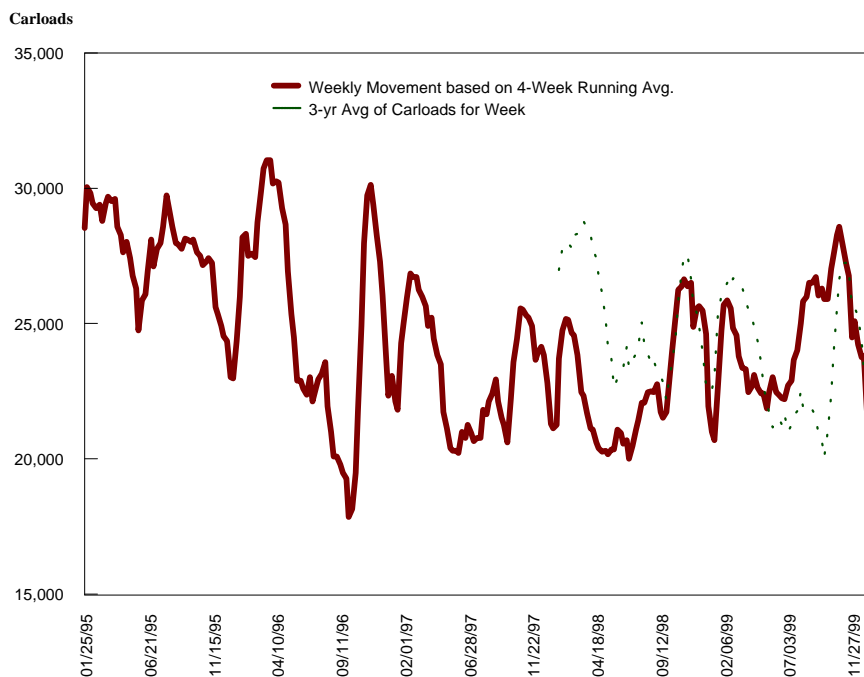
**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
12/25/99	19,203
01/01/00	18,628
01/08/00	26,001
Year to Date - 2000	26,001
Year to Date - 1999	22,427
Total 1999	1,269,741

**1998 - 52 weeks

* 1997 - 53 weeks



Class I Rail Carrier Grain Car Bulletin

Carloads

	Conrail	CSXT	East		West			Canada	
			IC	NS	BNSF	KCS	UP	CN	CP
01/08/00	0	3,090	1,916	2,999	9,477	539	7,980	2,488	2,964
This Week Last Year	388	1,649	1,099	2,042	8,919	617	7,713	1,628	2,623
2000 YTD	0	3,090	1,916	2,999	9,477	539	7,980	2,488	2,964
1999 YTD	388	1,649	1,099	2,042	8,919	617	7,713	1,628	2,623
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328
1998 Total	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568	215,005

Source: Association of American Railroads

**1998 - 52 weeks

* 1997 - 53 weeks

Tariff Rail Rates for Unit Train Shipments

January 2000

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
01/03/00	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
01/03/00	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
01/03/00	46540	Wheat	Kansas City, MO	Houston, TX	\$1,550	\$17.09	\$0.47
01/03/00	43586	Wheat	Kansas City, MO	Portland, OR	\$4,133	\$45.56	\$1.24
01/03/00	43581	Wheat	Omaha, NE	Portland, OR	\$3,805	\$41.94	\$1.14
01/03/00	31040	Corn	Minneapolis, MN	Portland, OR	\$2,800	\$30.86	\$0.78
01/03/00	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$28.66	\$0.73
01/03/00	31040	Corn	Omaha, NE	Portland, OR	\$2,415	\$26.62	\$0.68
01/03/00	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,880	\$31.75	\$0.86
01/03/00	61180	Soybean	Omaha, NE	Portland, OR	\$2,815	\$31.03	\$0.84
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

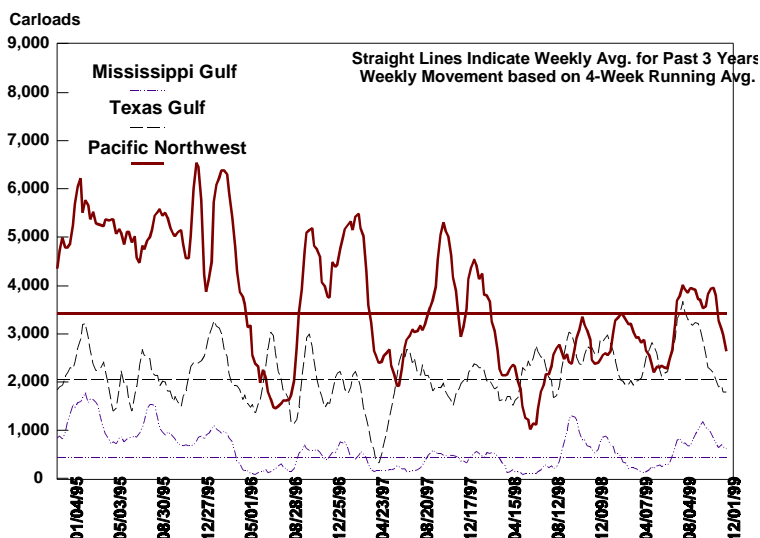
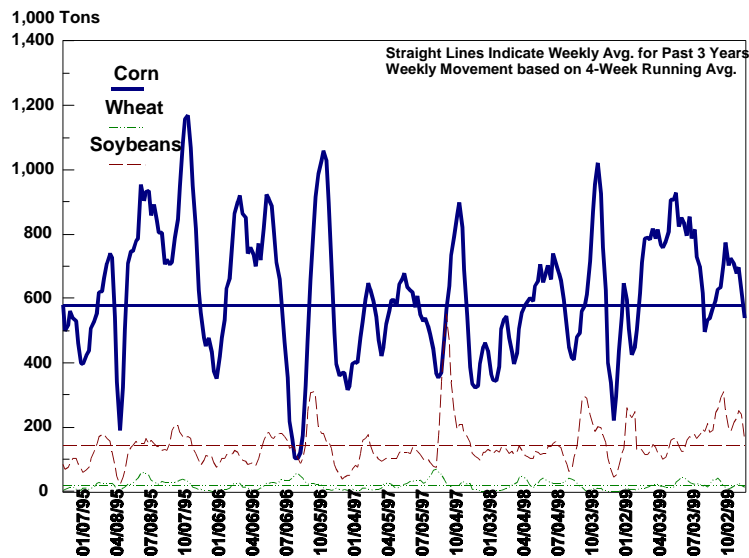
Rail Deliveries to Port

Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
12/01/99	607	1,997	3,104	64
12/08/99	671	1,629	3,556	15
12/15/99	564	1,545	2,328	650
12/22/99	1,008	2,566	3,384	261
12/29/99	460*	1,435*	2,645	65
01/05/00	494	1,634	2,235	62
YTD 2000	494	1,634	2,235	62
YTD 1999	442	2,740	1,674	53
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

Source: Transportation & Marketing/AMS/USDA

Note: *Revised data

Rail Deliveries to Port**Barge Movements - Locks 27****Barge Grain Movements**

for week ending 1/8/00

	Corn	Wht	Sybn	Total
1,000 Tons				
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	557	3	96	680
Granite City, IL (L27)	508	3	89	614
Illinois River (L8)	482	3	11	519
Ohio (L52)	36	0	50	123
Arkansas (L1)	0	8	15	24
2000 YTD	544	12	155	760
1999 YTD	177	92	68	414
Total 1999	31,001	2,401	8,674	45,134
Total 1998	31,226	2,420	8,866	45,625

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers

U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
01/06/00	854	523	745	638	226	2,986	7,397	4,454	14,837
This Week Year Ago	1,592	154	832	518	251	3,347	7,902	4,246	15,495
<u>Cumulative Exports-Crop Year</u>									
99/00 YTD	7,364	2,644	3,493	2,456	619	16,576	17,826	11,697	46,099
98/99 YTD	6,649	1,287	4,213	3,762	488	16,399	16,080	17,713	50,192
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
01/13/00	225	185	0	115	848	463	174	0	31
2000 YTD	225	185	0	115	848	463	174	0	31
1999 YTD *	191	111	0	50	371	477	141	15	0
% of Last Year	2%	4%	0%	2%	3%	3%	2%	0%	2%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service * YTD-Year-to-Date (*98 = 53 week period)

Select Canadian Ports - Export Inspections*

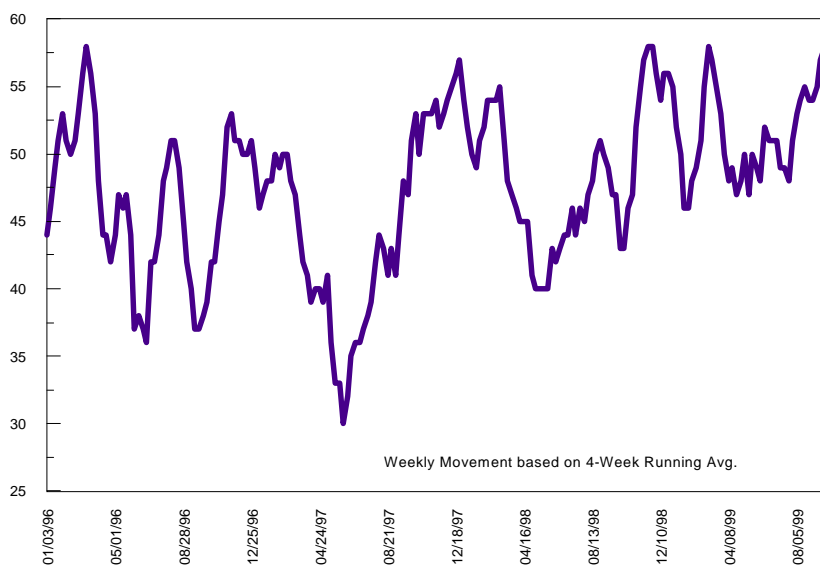
1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 1/14/00			
Vancouver	2,104	461	251
Prince Rupert	1,343	0	41
Prairie Direct	355	147	145
Thunder Bay	468	193	165
St. Lawrence	1,553	864	0
1999 YTD Exports	5,823	1,665	603
1998 YTD Exports	4,741	1,271	358
% of Last Year	123%	131%	168%

Source: Canadian Grains Commission; *current data unavailable

YTD-Year-to-Date Crop Year 8/1-7/31

Vessels



**Gulf Region
Vessels Loaded
- Past 7 Days-**

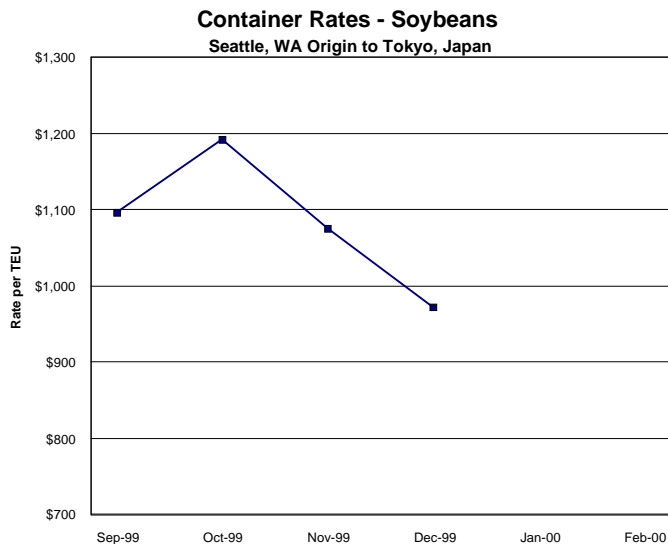
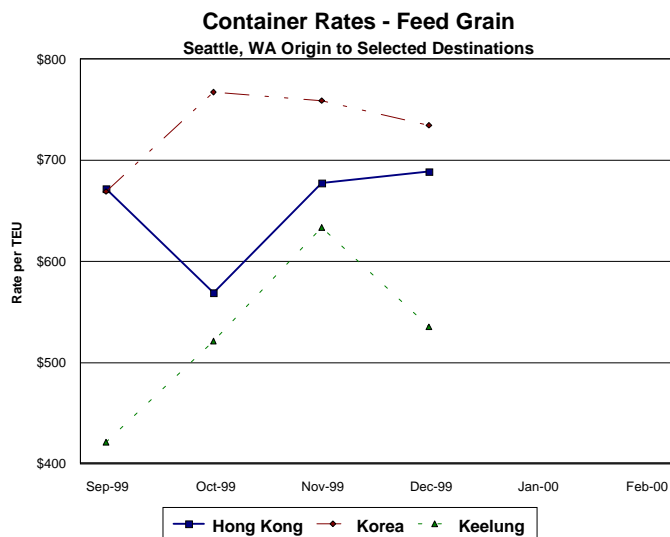
Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
01/06/00	38	39	70	10			12	7	1
01/13/00	41	51	63	13			13	8	1
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

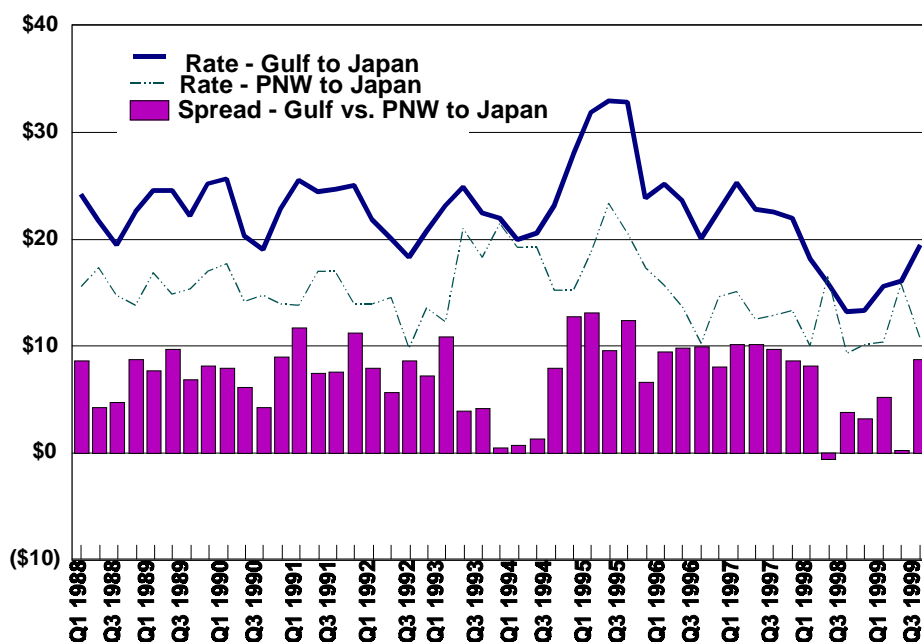
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation & Marketing/AMS/USDA

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	1999 3 rd Qtr	1998 3 rd Qtr	% Change		1999 3 rd Qtr	1998 3 rd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$19.46	\$13.17	48%	Japan	\$10.71	\$9.35	15%
Mexico	\$14.97	\$16.33	-8%	Red Sea/ Arabian Sea			
Venezuela	\$12.64	\$10.30	23%				
N. Europe	\$13.31	\$8.85	50%	Argentina to			
N. Africa	\$18.20	\$13.87	31%	N. Europe	\$13.94	\$12.15	15%
				Japan	\$23.00	\$16.21	42%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,250 lbs.=one metric ton)

Ocean Freight Rates *(Select Locations) - week ending 1/15/00

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	S. Brazil	Corn	January	30,000	\$13.75
Gulf	Liverpool (UK)	Grains	Prompt	30,000	\$16.75
Gulf	Rotterdam	Grains	January	55,000	\$13.10
Gulf	Tunisia	Wheat	Prompt	25,000	\$18.25
Gulf	Jordan	Wheat	January	48,000	\$50.98 (MT)
Gulf	Indonesia (2 pts.)	Heavy Grain	January	60,000	\$20.25
PNW	Jordan	Barley	January	50,000	\$21.00
Paranagua	Europe	Heavy Grain	Prompt	50,000	\$14.70
Rouen (France)	Morocco	Wheat	Spot	30,000	\$10.75
Indonesia (2 pts.)	Europe	Grains	January	25,000	\$16.60

Source: Maritime Research Inc. (*) rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated.